Supreme Court, U.S.
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No. ____

IN THE

Supreme Court of the United States

OCTOBER TERM, 1985

A. H. ROBINS COMPANY, INC.,

Petitioner,

v.

ELI LILLY AND COMPANY

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

JOHN D. NIES
NIES, WEBNER, KURZ & BERGERT
1911 Jefferson Davis Highway
Suite 700
Arlington, Virginia 22202
(703) 521-6590

Counsel for Petitioner

PRESS OF BYRON S. ADAMS, WASHINGTON, D.C. (202) 347-8203

QUESTIONS PRESENTED

Has the Court of Appeals for the Federal Circuit so far departed from the mandate of *Graham v. John Deere,* 383 U.S. 1 (1966) as to require the exercise of this Court's power of supervision?

Has the Court of Appeals for the Federal Circuit, by selective application or distortion of the mandate of *Graham v. John Deere,* become "blatantly pro patent"?

Has the Court of Appeals for the Federal Circuit's procedure of reviewing judgments, not opinions, effectively nullified Rule 52(a)?

Has the Court of Appeals for the Federal Circuit, in its zeal to reward patent owners, overlooked the rights of independent innovators and found infringement by ignoring the rules of claim interpretation announced by this court in *Graham v. John Deere?*

Has the Court of Appeals for the Federal Circuit improperly added to the list of *Graham* "secondary considerations" the later made discoveries of third parties unknown to and unsuspected by the patentees?

RULE 21.1(b) and 28.1 STATEMENTS

All parties to the proceedings below are listed in the caption of the case.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

A. H. Robins Company, Inc. prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Federal Circuit entered on March 26, 1986.

OPINIONS BELOW

The opinion of the Federal Circuit (A 1-2) dated March 26, 1986 is unpublished.

The opinion of the United States District Court for the Eastern District of Virginia dated August 21, 1985 (A 3-11) has been reported at 228 USPQ 757.

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered on March 26, 1986. The ju-

risdiction of this Court is invoked under 28 USC 1254(1).

The United States District Court had original jurisdiction of this matter pursuant to 28 USC 1338(a).

CONSTITUTIONAL PROVISION AND STATUTE

The constitutional provision and the statutes involved are:

(a) Article 1, Section 8—Congress shall have the power . . . to promote the progress of science and useful arts by securing for a limited time to authors and inventors the exclusive right to their respective writings and inventions.

(b) 35 USC § 103—A patent may not be obtained though the invention is not identically disclosed or described as set forth in Section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

(c) 35 USC § 271(a)—Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

STATEMENT OF THE CASE

Pat. 4,085,224 at issue here, claims a method which has never been used commercially by anyone.

Eli Lilly, the owner of the patent, has never used the method, (improving feed utilization efficiency in cattle) and has no intention of using it in the future. Lilly brought suit to prevent its use in competition with the less effective method commercialized by Lilly which is *not* covered by the '224 patent.

Reconciling the effective suppression of an invention, such as we have here, with the constitutional purposes of the patent system, is not entirely free of difficulty. While supression of an invention is not offensive to law, neither should it be endorsed, encouraged or sponsored by the courts by failing to give the patent painstaking scrutiny with the aid of the invaluable analytical tools provided by this Court in *Graham v. John Deere*, 383 U.S. 1 (1966).

At the district court level both parties cited *Graham* and urged the district court to follow its mandate. The district court did not follow the parties' lead. It did not undertake the factual inquiries mandated by *Graham*. It did not follow the analytical course charted by *Graham*. The district court did not cite *Graham*, except by citing a case referring to *Graham*. After this passing mention the court paid no further attention to *Graham*.

The district court failed utterly to determine the scope and content of the prior art although here and there, scattered through the district court's opinion, references can be found to individual items.

The district court failed to determine the differences between the claimed subject matter and the prior art.

The district court made no reference to the level of skill in the art.

The court made no reference to secondary considerations. It did, however, refer to "Lilly's research and testing" from which it was learned that the method of the '224 patent was non-toxic (A-9) and was twice as efficacious as the prior art. This critical finding was an egregious error. It was undisputed that Lilly never, repeat never, tested the method. It was undisputed that these advantages, unknown to and unsuspected by the "inventors", were discovered not by Lilly, but by the defendant only after the expenditure of hundreds of thousands of dollars and long after the '224 patent was issued.

On the infringement issue the undisputed record showed that the claims of the '224 patent were granted only after amendment to add a limitation to overcome a final rejection by the patent examiner.

Only by ignoring this critical limitation *in toto* in direct contravention of this Court's pronouncements in *Graham* and a host of other precedents, was the district court able to find infringement.

In a three paragraph unpublished opinion the Federal Circuit affirmed per curiam, thus placing its imprimatur on a redefinition of or abandonment of the *Graham* mandate on both major issues.

The court accorded one sentence to the matter of the *Graham* findings. It held that "Although the court's opinion does not delineate sections devoted to each of the *Graham* findings it does deal with each of those findings" (A-1).

The Federal Circuit does not explain how the district court dealt with the *Graham* findings which were neither made nor mentioned by the district court.

The court did not comment on the district court's clearly erroneous finding attributing to plaintiff discoveries made by defendant.

Nor does the Federal Circuit mention Rule 52(a) nor comment on the district court's compliance with the *requirement* of the rule that ". . . the court shall find the facts specifically and state separately its conclusion of each therein. . ."

This honorable Court's comments regarding the deficiencies it found in the Federal Circuit's opinion in *Panduit* are directly applicable.

On the infringement issue the court was content to parrot the district court's conclusion regarding the reasons for the addition of the critical claim limitation without ascribing any meaning to the limitation.

REASONS FOR GRANTING THE WRIT

When the Court of Appeals for the Federal Circuit was established it was hoped that it would eliminate the notorious inconsistencies in the resolution of obviousness issues and that it would be free of bias in favor of or against patents. This hope has not been realized.

The pro patent mind-set of the Federal Circuit has been the subject of much comment by the bar and business community. As reported in *Fortune* magazine, June 23, 1986, 57, 60 "the court has gained a reputation for being blatantly pro-patent". .

This reputation finds full support in its track record. As noted in a study* (conducted by opposing

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* AIPLA JOURNAL, Vol. 13, Nos. 3 & 4 (1985)

counsel) the Federal Circuit affirms the district court's holding of patent validity 86% of the time. The district courts that hold patents invalid are accorded less hospitable treatment, being affirmed only about 60% of the time.

Such a result is wholly a odds with an even handed consistent application of the mandate of *Graham* and Rule 52(a).

The case at bar and three other "obviousness" cases, *Jones v. Hardy,* 727 F.2d 1524; 220 USPQ 1021 (Fed. Cir. 1984); *Loctite Corp. v. Ultraseal,* ____ F.2d ____; 228 USPQ 90 (Fed. Cir. 1985) and *Panduit Corporation v. Dennison,* 774 F.2d 1082; 227 USPQ 337 (Fed. Cir. 1985) Vacated ___ U.S. ___; 106 S.Ct. 1578 (1986) illustrate how the *Graham* analysis has been strictly applied, or ignored, or mutilated apparently to permit the court to achieve the desired result—patent validity.

In *Jones* the court reversed the trial court's holding of invalidity because of legal errors including "absence of factual findings on the four inquiries mandated by *Graham v. John Deere.*" The court, by reversing rather than remanding, ruled that the *Graham* findings are unnecessary. As the court noted, the findings were not made at the trial level. The most fundamental rules of appellate procedure tell us that these findings can not be made *de novo* by the Court of Appeals. Therefore *Jones* stands for the proposition that a patent may be held valid at the appellate level in the total absence of *Graham* findings.

Panduit, which this Court recently remanded for "further consideration" (106 S.Ct. 1578) stands with

Jones. The Federal Circuit reversed the trial court's invalidity holding without even a mention of *Graham* or Rule 52(a).

In *Loctite* the court, again faced with a judgment of a trial court holding a patent invalid, revealed a different (and in petitioner's view, correct) approach in head on conflict with *Jones* and *Panduit.* The court held the *Graham* findings were necessary; that such findings were beyond the province of the appellate court. The case was remanded, not reversed. The court stated:

> "Loctite argues that the district court made no findings on the first three inquiries of *Graham.* Without those findings, Loctite urges, there is no factual basis to permit a conclusion that the invention would have been obvious. We agree."

Perhaps the Federal Circuit's apparent lack of interest in rule 52(a) and its inconsistent treatment of specific *Graham* findings is founded on its oft repeated refrain that "This court passes on judgments not opinions." *King Instrument Coporation v. Otari Corporation,* 767 F.2d 853, 863 (Fed. Cir. 1985).

This rule (possibly followed only by the Federal Circuit) is repeated in *Howard A. Fromson v. Advance Offset Plate, Inc.,* 755 F.2d 1549, 1556 (Fed. Cir. 1985); *Robert L. Jones et al v. Alex Hardy,* 727 F.2d 1524, 1531 (Fed. Cir. 1984); *Chore-Time Equipment, Inc. v. Cumberland Corporation,* 713 F.2d 774, 781 (Fed. Cir. 1983); *Stratoflex, Inc. v. Aeroquip Corporation,* 713 F.2d 1430, 1540 (Fed. Cir. 1983); *Kloster Speedsteel AB et al v. Crucible Inc. et al,* Slip Opinion June 11, 1986, p. 10 (Fed. Cir. 1986); *State Industries,*

Inc. v. Rheem Manufacturing Company, 769 F.2d 762, 763 (Fed. Cir. 1985); *Medtronic, Inc. et al v. Daig Corporation,* ___ F.2d ___; 229 USPQ 664 (Fed. Cir. 1986).

Under this approach the Federal Circuit must somehow first look to the judgment which simply states that the district court sustained the validity of the patent or found the patent invalid. Then, through a subjective approach, not revealed in its opinions, the court somehow determines whether the judgement is right or wrong. Only then does the court look to the opinion. If the appellate court agrees with the result, the opinion will be acceptable despite a few warts and blemishes. Otherwise, the opinion will receive the condemnation of the court.

In the case at bar the Federal Circuit, through a process not revealed, approved the end result—the judgment of patent validity. Since the Federal Circuit reviews judgments and not opinions, the obvious, glaring deficiencies in the opinion were forgiven.

Thus the case at bar, *Jones, Panduit* and *Loctite* reveal radically different approaches to the application of the *Graham* mandate and to the role of Rule 52(a) which are scarcely consonant with the consistency and stability which it was hoped that this court would achieve and which are hopelessly at odds with this court's belief expressed in *Graham* (383 US 1 at 18) that:

> "... strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act"

The trial court's clear, explicit and utterly wrong finding that the major advantages of the invention were discovered by Lilly's tests rather than defendant, was left untouched by the Federal Circuit. This despite the fact that Lilly agreed that the defendant was the source of the data supporting the advantages and that Lilly never made even a single test of the method.

Pursuant to its stance, "We review judgments not opinions," the Federal Circuit found the judgment, (the patent is valid) acceptable and forgave the error in the district court's opinion.

Yet the court said it found nothing in the district court's opinion which was clearly erroneous. If the Federal Circuit believed that the district court's finding was correct, it has committed an error of law and has added to the list of *Graham* "secondary considerations" factors of improved performance unknown to and unsuspected by the inventors.

The proposition that a patentee may buttress its case by relying on the labors of its adversary, which is the result of the Federal Circuit's holding, should not be permitted to expand the *Graham* secondary considerations without a thorough airing and certainly not by default of appellate procedure.

On the infringement issue the trial court and the Federal Circuit failed to follow the *Graham* mandate that (383 U.S. 1, at 33):

> "Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the

> prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent."

Neither court ascribed any meaning to the limitation added to the claims to obtain allowance after final rejection. Instead they dwelt on the irrelevant question of why the limitation was added.

CONCLUSION

To preserve the vitality of the guidelines in *Graham,* which provides the only sure road to consistency through this thorny legal thicket, this case should be remanded to the Federal Circuit with instructions to remand to the district court to make the *Graham* findings.

Respectfully submitted,

JOHN D. NIES
NIES, WEBNER, KURZ & BERGERT
1911 Jefferson Davis Highway
Suite 700
Arlington, Virginia 22202
(702) 521-6590

Counsel for Petitioner

APPENDIX

APPENDIX A

Note: This opinion will not be published in a printed volume because it does not add significantly to the body of law and is not of widespread legal interest. It is a public record. It is not citable as precedent. The decision will appear in tables published periodically.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Appeal No. 86-513

ELI LILLY AND COMPANY,

Appellee,

v.

A. H. ROBINS COMPANY, INC.,

Appellant.

DECIDED: March 26, 1986

Before MARKEY, *Chief Judge*, FRIEDMAN, *Circuit Judge*, and NICHOLS, *Senior Circuit Judge*.

PER CURIAM.

This is an appeal from a decision of the United States District Court for the Eastern District of Virginia, Richmond Division, holding claims 1 and 2 of Eli Lilly and Company's Patent No. 4,085,224 valid and infringed by the appellant, A. H. Robins Company, Inc. (Robins). We *affirm* on the basis of the opinion of the district court, with some amplification.

Robins contends that the district court erred in not making the requisite findings under *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Although the district court's opinion does not delineate sections devoted to each of the *Graham* findings, it does deal with each of those findings. Robins

has not shown that the district court's findings are clearly erroneous.

Robins also contends that it did not infringe the patent because the district court misinterpreted the claims. It argues that the district court interpreted claim language inserted during the prosecution of the patent in such a manner that the language has no meaning. Contrary to Robins' argument, the district court did give the inserted claim language a definite meaning: "the language taken in its intended and natural context was to distinguish the claimed use, improvement of feed-efficiency in a ruminant, from tanaka's [sic] disclosed use—treatment or prevention of coccidiosis in chickens." Robins has not convinced us that the district court erred in reaching this conclusion.

District Court, E.D. Virginia
ELI LILLY AND CO. v.
A. H. ROBINS CO., INC.
No. 83-0633
Decided August 21, 1985

This is an action for infringement of Claims 1 and 2 of plaintiff's Patent 4,085,224; hereinafter referred to as the " '224 patent."

Plaintiff ("Lilly"), owner of the aforementioned patent, is a corporation of the State of Indiana, with its principal place of business at Indianapolis, Indiana.

Defendant, A. H. Robins Company, Inc. ("Robins"), is a Virginia corporation with its principal place of business at Richmond, Virginia.

Jurisdiction is attained pursuant to 28 U.S.C. § 1338(a).

The subject matter of the patent in suit relates to feed efficient compounds administered to animals having four chambered stomachs. Such animals are referred to as ruminant animals and include cattle, sheep and goats.

The claims of the '224 patent charged to be infringed are as follows:

> 1. A method of increasing feed-utilization efficiency in a ruminant animal which comprises orally administering to said animal in need of increasing the feed-utilization efficiency an effective propionate-increasing amount of salinomycin or a physiologically-acceptable salt of salinomycin.
>
> 2. The method of claim 1 wherein the compound is salinomycin.

While denying infringement, Robins contends that the '224 patent is unenforceable against it because of its al-

leged obviousness. *See* 35 U.S.C. § 103. Lilly, while contesting this assertion, alleges infringement on the part of Robins.

Title 35 U.S.C. § 282 grants a presumption of validity to every patent and places the burden of establishing invalidity of same or any claim thereof on the party asserting such invalidity. The burden, though not unattainable, is a heavy one. *See Paeco Inc. v. Applied Moldings, Inc.*, 562 F.2d 870, 194 USPQ 353 (2 Cir. 1977); *see also American Hoist & Derrick Co. v. Sowa & Sons*, 725 F.2d 1350, 1359, 220 USPQ 763, 770 (Fed. Cir. 1984) where the Court quoting from Justice Cardozo's opinion in *Radio Corp. v. Radio Laboratories*, 293 U.S. 1, 21 USPQ 353 (1934) stated:

> Through all the verbal variances, however, there runs this common core of thought and truth, that one otherwise an infringer who assails the validity of a patent fair upon its face bears a heavy burden of persuasion, and fails unless his evidence has more than a dubious preponderance.

In short, Robins' burden was to satisfy the Court of the invalidity of the " '224 patent" by clear and convincing evidence and, in this regard, it has, for the reasons which follow, failed.

The practical consequence of Lilly's method of increasing feed utilization efficiency in a ruminant animal is obvious. Animals, in the class under discussion, have, as the Court has stated, four-chambered stomachs. Microorganisms live in the first two chambers of the stomach and aid digestion by converting feedstuffs to a more easily digestable form. Much of the feedstuffs, however, are converted to worthless by-products. By perfecting or improving, as Lilly's patent does, feed utilization efficiency the conversion of feedstuffs to worthless by-products is reduced and ruminant animals can be fattened or maintained on less feed. The economic advantage is too obvious to belabor.

Lilly's patent described in its most simplistic form constitutes the administering of salinomycin as a feed additive.

Salinomycin is an antibiotic discovered by a Japanese company which first came to Lilly's attention in 1972. As early as the late 60's, Lilly had developed a laboratory test to screen compounds for their potential utility use feed-utilization efficiency improvers for ruminants. During the course of those tests, monensin, an antibiotic, was found by Lilly to significantly improve feed utilization in animals. Previously it had been considered useful in the treatment of a parasitic disease suffered by poultry.

Lilly developed monensin as a commercial product and has marketed it as a feed-utilization efficiency improver for cattle since 1975.

After discovering that monensin improved feed-utilization efficiency in live animals, Lilly's Dr. Raun filed a patent application covering the use of monensin and a number of other polyether antibiotics for use as feed-utilization efficiency improvers in ruminants. This application was divided into several separate applications that eventually issued as U.S. Patents 3,794,734, 3,839,557, and 3,937,836, each of which is relied upon by Robins as prior art. At the time that the original application was filed, only monensin among the compounds identified in the application had been tested in live animals.

Subsequent tests of the antibiotics disclosed in the Raun application as well as tests by Lilly of additional polyether antibiotics demonstrated that several polyether antibiotics were toxic in cattle at dosages where one would have expected optimum feed-efficiency improvement. These toxic antibiotics included A-204, X-206, and A-28695A. After discovering their toxicity, Lilly performed no further tests on these compounds. Although these compounds may have limited utility at lower dosages or in species other than cattle, their toxicity in cattle at the dosages tested dem-

onstrates that the performance of compounds structurally-related to monensin is unpredictable.

At the time it was discovered that salinomycin was useful as a ruminant feed-efficiency improver, Lilly's experience demonstrated the unpredictability of seeking compounds for this purpose.

In 1972 and 1973, Lilly engaged in concentrated testing of salinomycin in order to compare it with A-28086, an antibiotic culture isolated by a Lilly employee in 1968. Additional testing by Lilly resulted in isolating the predominant active compound (narasin) in A-28086 which when tested in live animals in the year 1973 was shown to be more effective than monensin, and showed no evidence of toxicity.

In 1972, Dr. Hamill of Lilly learned of Salinomycin by virtue of an article published by Kaken Chemical Co. of Japan. He secured a sample and his laboratory tests revealed it to be closely related to the compound A-28086, though not identical.

Ultimately, Lilly was, through the assistance of a publication by Kinashi, et al. describing the molecular structure of salinomycin and its own testing, able to determine the molecular structure of A-28086 and, because of the close relationship between the structures of the two compounds, included salinomycin in the A-28086 patent application.

The Court finds that subsequent to the filing of the A-28086 salinomycin patent application, Lilly concentrated its research and development efforts on A-28086 and has expended large amounts of money on its development.

There is little doubt but that salinomycin improves feed-utilization efficiency in feedlot cattle as much as the only two polyether, antibiotics monensin and lasalocid, that are sold commercially as feed utilization efficiency improvers

in ruminants. This is so even though the dosage is one-half or less than the commercial compounds.

On June 10, 1974, Nancy Harrison, then patent agent for Lilly, filed in the name of three employees on plaintiff's behalf, a patent application, Serial No.477,954, which disclosed and claimed three related compounds isolated from the A-28086 culture, including the use of salinomycin as a ruminant feed-utilization efficiency improver. This application was subsequently abandoned in favor of a continuation-in-part application to disclose the presence of an additional compound newly isolated from the A-28086 culture.

On April 21, 1975, Lilly filed Serial No. 569,740, the continuation-in-part application of the June 10, 1974 application. As in the parent application, this application disclosed and claimed the A-28086 compounds, the use of the A-28086 compounds as poultry coccidiostats; as ruminant feed-utilization efficiency improvers, and the use of salinomycin as a ruminant feed utilization efficiency improver.

The Patent Office Examiner induced Lilly to prosecute the A-28086 claims in the then pending application, and to file a divisional application directed to the use of salinomycin as a ruminant feed-utilization efficiency improver.

On September 2, 1976, Lilly filed Serial No. 719, 742, a divisional case of the April 21, 1975 application. This application matured into the '224 patent-in-suit. Ms. Harrison filed a preliminary amendment which limited the claims to those claims directed to the use of salinomycin as a feed-utilization efficiency improver in ruminants. Ms. Harrison also filed a paper entitled "Citation of Prior Art" and identified and described the best prior art known to Lilly. She disclosed that salinomycin has been reported in U.S. Patent No. 3,857,948 issued to Tanaka (hereinafter *"Tanaka"*) to be useful in treating coccidiosis in fowl. Ms. Harrison disclosed also that salinomycin is a polyether antibiotic and that U.S. Patent Nos. 3,794,734 and 3,839,557

issued to Raun (hereinafter *"Raun"*) taught the improvement of feed-efficiency in ruminants by treating animals with an antibiotic selected from six polyether antibiotics. *"Raun"* also taught that other antibiotics having a certain structure and the ability to form "an unusual complex salt" described in the patent would be expected to improve feed-efficiency. Ms. Harrison cited a reference which reported that salinomycin differed from other known polyether antibiotics and apparently did not have the ability to form the unusual complex salt described by *"Raun"*. Indeed, *"Raun"* certainly does not teach or suggest the use of salinomycin as a feed-utilization efficiency improver in ruminants. This is also true as to *Tanaka* and *Kinashi*.

While Robins has cited a large number of references, none contributes to those considered by the Patent Office personnel. Based in part upon these differences, Ms. Harrison argued that it would not be obvious to use salinomycin in ruminants to improve feed-efficiency. Robins' contentions that Ms. Harrison was less than candid with the Examiner is rejected.

In the first Office Action, the Examiner rejected the claims in view of U.S. Patent No. 3,857,948, *Tanaka*, which disclosed the use of salinomycin as a poultry coccidiostat. The Examiner rejected the claims on the grounds that:

> [*Tanaka*] discloses applicants' compound being orally administered to chickens. In view of this, it would be obvious to administer the prior art compound to any normal host, i.e. animal.

The Court is satisfied, contra to Robins' contention, that the Examiner simply found it to be obvious to administer salinomycin to any animal, including ruminants.

The fact that Ms. Harrison, after the Examiner's first office action, added language to the effect that salinomycin be administered to ruminant animals "in need of an increase in feed-utilization efficiency" does not, in the Court's

view, indicate her intention to limit the claims to the administration of salinomycin to sick animals, as contended by Robins. The Court concludes that the claims were not so limited.

As the Federal Circuit, In *Orthopedic Equipment Co. Inc. v. United States,* stated 702 F.2d 1005 at 1008, 217 USPQ 193 at 195-96:

> The traditional test, enunciated in *Graham v. John Deere Co.*, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545, 148 USPQ 459 (1966), for § 103 nonobviousness requires the factfinder to make several determinations. The test provides:
>
> > Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved need, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. An indicia of obviousness or nonobviousness, these inquiries may have relevancy. [383 U.S. at 17-18, 86 S.Ct. at 649, 148 USPQ at 467.]

In the instant case, while the evidence discloses that salinomycin had been isolated and some of the properties were known, until Dr. Hamill's research and subsequent testing, no one knew whether it was a ruminant feed-efficiency improper. It follows as well that until Lilly's research and testing, it was not appreciated that unlike many other compounds, salinomycin does not display severe toxicity. It is the more active of more than thirty thousand compounds tested by Lilly.

The Court is satisfied that the language taken in its intended and natural context was to distinguish the claimed

use, improvement of feed-efficiency in a ruminant, from Tanaka's disclosed use—treatment or prevention of coccidiosis in chickens. It is difficult to envision the claim being more specific. The claim is the measure of the grant. *Universal Oil Co. v. Globe Co.*, 322 U.S. 471, 61 USPQ 382 (1943).

It is to be kept in mind that if a claim is "fairly susceptible to two constructions, that should be adopted which will secure to the patentee his actual invention rather than to adopt a construction fatal to the grant." *See Smith v. Snow*, 294 U.S. 1, 14, 24 USPQ 26, 31 (1935).

Defendant's contention that it is the Examiner's expressed opinion "which controls" is rejected. Indeed, the claim interpretation of the Examiner, Mr. Goldberg, arising during the prosecution of an application by Robins is of little help to the Court in interpreting the claims of the patent in suit. The responsibility is that of the courts.

Finally, the Court gives credence to Lilly's experts who testified that the subject matter of the claims in suit were nonobvious and the Court so finds. Robins has simply failed to carry its burden of persuasion.

Alleged Infringement.

Robins has attempted to prosecute four patent applications involving salinomycin. Such of course, does not constitute infringement.

Plaintiff's theory of infringement on the part of Robins lies in its contention that Robins through its Veterinary Department in 1983-84 used salinomycin in cattle feeding trials.

Plaintiff's contention that such use is a literal infringement of its '224 patent is accurate.

Section 271 of Title 28 reads in pertinent part:

§ 271. Infringement of patent

> (a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

Plaintiffs are also accurate in contending that evidence of damage or lost sales is not necessary to bring an infringement action. *See Roche Products, Inc. v. Bolar Pharmaceutical Co.*, 733 F.2d 858, 861, 221 USPQ 937, 939 (Fed. Cir. 1984).

While the evidence is devoid of any commercial use of the product for feed utilization efficiency, it cannot be doubted but that Robins' use was solely for business reasons " 'with a view to the adaption' " (of patent '224) to Robins' business. *See Roche Products v. Bolar Pharmaceutical Co.*, p. 863, 221 USPQ p. 940, *supra*.

Lilly is entitled to injunctive relief.

An appropriate order will issue.

ORDER

For the reasons stated in the memorandum this day filed and deeming it proper so to do, it is ADJUDGED and ORDERED and DECLARED as follows:

1. Plaintiff is the owner of the patent No. 4,085,224 and that Claims 1 and 2 of said patent are valid and enforceable.

2. Defendant, having technically infringed Claims 1 and 2 of the said patent, its officers, agents, servants and employees and all acting in concert therewith be and they are hereby enjoined from further infringement of same.

3. Plaintiff is entitled to its taxable costs.

No. 85-2113

Supreme Court, U.S.
FILED
AUG 20 1986
JOSEPH F. SPANIOL, JR.
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1986

A. H. ROBINS COMPANY, INC.,
Petitioner,

v.

ELI LILLY AND COMPANY,
Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF IN OPPOSITION OF RESPONDENT ELI LILLY AND COMPANY TO PETITION FOR WRIT OF CERTIORARI

DONALD R. DUNNER
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
1775 K Street, N.W.
Washington, D.C. 20006
(202) 293-6850

Counsel for Respondent

Of Counsel:

THOMAS H. JENKINS
FINNEGAN, HENDERSON, FARABOW GARRETT & DUNNER
1775 K Street, N.W.
Washington, D.C. 20006
(202) 293-6850

LEROY WHITAKER
JOSEPH A. JONES
ELI LILLY AND COMPANY
Lilly Corporate Center
Indianapolis, Indiana 46285
(317) 467-4000

PRESS OF BYRON S. ADAMS, WASHINGTON, D.C. (202) 347-8203

QUESTION PRESENTED

Petitioner's statement of questions presented attempts to fabricate issues of importance where none exist or which bear no relation to the facts of this case. When stripped of obfuscating embellishment, it will be seen that petitioner's principal complaint is that the district court and court of appeals decisions were factually deficient. Restated, therefore, the question presented is nothing more or less than whether the Court of Appeals for the Federal Circuit properly found that the petitioner failed to establish that the facts found by the district court were clearly erroneous.

RULE 28.1 STATEMENT

Respondent, Eli Lilly and Company, provides the following list of corporate affiliates in compliance with Rule 28.1:

Hopewell International Co. Ltd. (Bermuda)
United Insurance Co. (Cayman Islands)
Delta Holdings, Inc. (Bermuda)
Elanco Ihara K.K. (Japan)
Japan Elanco Company, Ltd.
Shionogi Lilly K.K. (Japan)
Elizabeth Arden Sociedad Anonima Espanola (Spain)
Dong Yang Elanco Co., Ltd. (Korea)
Elangri, S.A. (Spain)
BCR and Lilly Co., Ltd. (Hungary)
Daewong Lilly Pharmaceutical Co., Ltd. (Korea)
Eli Lilly-Gohar (Private) Limited (Pakistan)
Quimica 4, C.A. (Venezuela)
Venezolana de Antibioticos y Quimioterapicos, S.A. (Venezuela)
Lilly Indiana de Espana, S.A. (Spain)
Valquimica, S.A. (Spain)
Elmedin, S.A. (Spain)
Dista, S.A. Espanola (Spain)
Centro de Investigacion Valquimica (Spain)
Elanco Veterinaria, S.A. (Spain)
Sefri, Ingenieria y Mantenimiento, S.A. (Spain)
Eliquiber, S.A. (Spain)
Grima Quimica, S.A. (Spain)
Elanco Agricola, S.A. (Spain)
Elanco Premezclas, S.A. (Spain)
IVAC Iberica, S.A. (Spain)
Elanco Industrial, S.A. (Spain)
Fundacion Valgrande (Spain)

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BRIEF IN OPPOSITION OF RESPONDENT ELI LILLY AND COMPANY TO PETITION FOR WRIT OF CERTIORARI

REASONS FOR DENYING THE WRIT

This case presents no reviewable issues for this Court. Aside from petitioner's unwarranted attack on the Federal Circuit as being pro-patent, which—even if true—would have nothing to do with the merits of the instant case, petitioner's grounds for appeal to this Court hinge solely upon alleged errors in the lower court decisions. This case presents no conflicts between jurisdictions, no constitutional questions, and

no questions of major importance. The alleged errors are, for the most part, specific to this case, and the decision will affect no one other than the litigants.

Moreover, petitioner's allegations of errors are completely without merit. The petition virtually ignores the record to contrive a scenario of legal and factual error that simply does not exist in this case. Indeed, the Federal Circuit, Chief Judge Markey presiding, thought so little of these same contentions that it affirmed the district court decision with a per curiam, unpublished, three paragraph opinion.

Petitioner's principal ground for granting certiorari is that the district court failed to make nonobviousness findings along the guidelines of *Graham v. John Deere Co.*, 383 U.S. 1 (1966), and that the Federal Circuit should have remanded the case for the district court to make such findings (PET-3).[1] Petitioner's contentions as to the shortcomings of the district court findings, however, are belied by a simple review of the opinion itself. As the Federal Circuit clearly recognized, even though the district court did not delineate sections of its opinion to correspond to each of the *Graham* findings, it did deal with each of those findings—scope and content of the prior art,[2] differ-

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[1] Petition at page 3. References to petitioner's appendix are abbreviated "PA." References to respondent's appendix are abbreviated "RA."

[2] The district court made findings with respect to each of the major items of prior art identified by petitioner: (1) monensin and several other specified polyether antibiotics were reported to improve feed-utilization efficiency in cattle (PA-7-8), (2) monensin was known to be useful to treat coccidiosis in poultry (PA-5), (3) salinomycin, the compound used in the method of the '224 patent, had been previously discovered (PA-5), and (4) sal-

ences between the invention and the prior art,[3] and level of skill in the art[4] (PA-1). Petitioner's complaint that the district court did not comply with Rule 52(a) simply ignores these detailed findings.

As to secondary considerations, which *Graham* states may have relevance to the obviousness inquiry, 383 U.S. at 17-18, petitioner departs from its theme that the district court did not make the necessary findings to contend that the court made erroneous findings. Specifically, petitioner alleges that the district court erred by referring to respondent's research and testing as the source of the discovery that the method of the '224 patent was nontoxic and twice as efficacious as the prior art, because respondent never tested the method (PET-4). Aside from the fact that an invention's properties are not secondary considerations—properties are inherent parts of the invention and must be considered as part of the primary

---

inomycin was known to be a polyether and to be effective to treat coccidiosis in poultry (PA-7). The district court also found that each of the additional items of prior art relied upon by Robins (i.e., art not before the Patent and Trademark Office during prosecution of the patent-in-suit) were cumulative to the art specifically discussed in the opinion (PA-8).

[3] The district court found that as of the date of invention: (1) no one knew whether salinomycin was a feed-utilization efficiency improver (PA-9), (2) no one knew whether salinomycin was toxic (PA-9), and (3) no one knew salinomycin was twice as active as the best prior art compound, monensin (PA-9).

[4] The parties entered into a stipulation prior to trial which made a finding on level of skill in the art unnecessary. Moreover, the district court's discussion of the development of the invention and, in particular, its reliance upon the testimony of respondent's experts that the claims in suit were nonobvious (PA-10), demonstrate that it inherently considered the level of skill in the art in reaching its decision.

nonobviousness analysis regardless of the source of the data—the district court recognized a critical fact that petitioner conveniently ignores. The method of the '224 patent involved the use of an antibiotic compound that is essentially identical to another compound discovered and tested at great length by respondent and whose history is inextricably related to the invention of the '224 patent (PA-6-7).[5] It was the combined testing of these two compounds that led to the discovery that the method of the '224 patent is nontoxic and highly efficacious. Accordingly, the district court properly observed that no one knew whether the method of the '224 patent was nontoxic or efficacious until respondent's research.[6]

In view of the above, petitioner's allegations that the Federal Circuit has been inconsistent in its requirement that the district courts follow the guide-

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[5] Respondent began testing salinomyin because it appeared to be very similar to A-28086, a compound earlier discovered by respondent (A-6). Respondent tested A-28086 in live animals and found A-28086 to be nontoxic and at least twice as effective as the best prior art compounds (A-6). This research, in combination with the discovery that salinomycin and A-28086 were essentially identical and with the discovery that salinomycin was highly active in laboratory tests, led the inventors to conclude that salinomycin was also nontoxic and effective as a feed-utilization efficiency improver.

[6] Petitioner's charge that respondent intends to suppress the claimed invention similarly ignores respondent's work with A-28086. Respondent has spent millions of dollars developing A-28086 for commercial use and is currently seeking regulatory approval for this compound. Given their similarities, one would not reasonably have expected respondent to develop both compounds.

lines of *Graham* are irrelevant to the instant case. Here, the district court did follow *Graham*. Cases cited by petitioner where the Federal Circuit allegedly ignored *Graham* are not before this Court.

Moreover, contrary to petitioner's charge, the Federal Circuit has championed the *Graham* guidelines since its inception and has been consistent in its application of *Graham*. Even the cases cited by petitioner do not support its charge. In *Jones v. Hardy*, 727 F.2d 1524 (Fed. Cir. 1984), the Federal Circuit conducted a *Graham* analysis based upon undisputed evidence in the record. Similarly, in *Panduit Corp. v. Dennison*, 774 F.2d 1082 (Fed. Cir. 1985), vacated, ___ U.S. ___, 106 S.Ct. 1578 (1986), the Federal Circuit conducted a *Graham* analysis even though the case itself was not cited. This Court vacated *Panduit*, not because the Federal Circuit failed to conduct a *Graham* analysis, but because the court reversed without explicitly applying the clearly erroneous standard. No similar issue exists in the instant case because the Federal Circuit affirmed the district court decision. Finally, in *Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861 (Fed. Cir. 1985), the Federal Circuit vacated the lower court decision because the court did not follow the guidelines of *Graham*.

As with many of petitioner's other allegations, petitioner's charges that the Federal Circuit is "blatantly pro-patent" (PET-5) has nothing to do with the merits of the instant case. Furthermore, it is simply not true that the Federal Circuit is pro-patent. Petitioner ignores the entire thrust of the article by respondent's counsel from which petitioner cites statistical data to support its position. The article, which

is reproduced in its entirety in the appendix to this brief, concludes that the statistics show "anything but a bias in favor of patents—either from a validity or infringement standpoint" (RA-2a). Moreover, the article cautions against overgeneralizing from statistical data—advice from which petitioner would have benefitted.

Petitioner opines that "perhaps" the Federal Circuit's "apparent lack of interest" in Rule 52(a) and its "inconsistent treatment" of the *Graham* findings is founded on its "oft repeated refrain" in other cases that "this court passes on judgments not opinions" (PET-7). The Federal Circuit did not repeat or rely on that refrain in this case. The use or proprietary of that concept, therefore, cannot be before this Court. Nevertheless, even assuming the Federal Circuit had reviewed only the judgment rather than the opinion of the trial court, it is entirely proper for an appellate court to do so. This Court, for example, consistently "reviews judgments, not statements in opinions." *Black v. Cutter Laboratories*, 351 U.S 292, 297 (1956); *see also Herb v. Pitcairn*, 324 U.S. 117, 126 (1945). This "oft repeated refrain," moreover, is often no more than a rephrasing of the "harmless error" rule, which is followed by this Court, *see, e.g., Chapman v. California*, 386 U.S. 18, 22 (1967), and which is codified in 28 U.S.C. § 2111. If the judgment of a case has not been affected by an error in the opinion below, judicial economy demands that the judgment be affirmed regardless of the error.

Finally, petitioner alleges that the Federal Circuit erred in upholding the district court's infringement ruling because both courts ignored a limitation added during the prosecution of the patent application (PET-

10). This contention, however, is inconsistent with the opinions themselves. The district court expressly ascribed meaning to the limitation by ruling that the disputed limitation was added to distinguish the invention from its use known in the art (PA-9-10).[7] Facing the identical argument advanced here, the Federal Circuit held that the district court analysis properly ascribed meaning to the claim limitation (PA-2). Having failed even to acknowledge the meaning of the claim limitation adopted by the lower courts, it is apparent that petitioner's true complaint is simply that the courts ascribed a meaning to the limitation other than the meaning that petitioner desired. Such disagreement with the lower courts' decisions is not a proper basis for granting certiorari.

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[7] Specifically, the district court ruled that the limitation was added to distinguish use of salinomycin as a feed-utilization efficiency improver, the invention, from use of salinomycin to treat coccidiosis in poultry, its use known in the art.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be denied.

Respectfully submitted,

DONALD R. DUNNER
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER
1775 K Street, N.W.
Washington, D.C. 20006
(202) 293-6850

Counsel for Respondent

Of Counsel:

THOMAS H. JENKINS
FINNEGAN, HENDERSON, FARABOW
GARRETT & DUNNER
1775 K Street, N.W.
Washington, D.C. 20006

LEROY WHITAKER
JOSEPH A. JONES
ELI LILLY AND COMPANY
Lilly Corporate Center
Indianapolis, Indiana 46285

APPENDIX

APPENDIX A

INTRODUCTION

BY DONALD R. DUNNER*

Three years ago, when the Federal Circuit first opened its doors, the patent bar was filled with hope and some apprehension. I think it is fair to say that all shared the hope that the Federal Circuit would eliminate the blight on the patent system created by gross attitudinal differences between the various circuit courts of appeal, attitudinal differences which inevitably led to blatant forum shopping and unseemly races to the courthouse to gain jurisdictional advantages over one's adversaries. It is also fair to say, however, that a number of bar members harbored a concern that the new court would soon develop a parochialism which was felt to be the lot of specialized courts, notwithstanding the protestations of the new court's supporters that it, indeed, was not a specialized court but one of diverse jurisdiction, albeit keyed to subject matter.

How has the court fared now that it has three full years of decisions under its belt?

For what it is worth, my own observation is that the court has scored reasonably well on everybody's scorecard and exceptionally well on the scorecards of most of the court watchers in the patent bar.

To be sure, there are those who are unhappy with certain aspects of the court's performance. Some, for example, have urged that the court has engaged in excessive *de novo* fact finding, in contravention of the constraints of Fed. R. Civ. P. 52(a). Still others have vocalized various and sundry gripes about other miscellaneous aspects of the

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* Assisted by Sharon E. Pula (Associate Attorney) and J. Michael Jakes (Law Clerk), Finnegan, Henderson, Farabow, Garrett & Dunner.
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court's patent-related activities. On the whole, however, I think it is fair to say that almost everybody is pleased with the overall scheme of things and the court's performance in general. While it is still too early to tell, I perceive a sense of those who are students of the court that the court, ultimately, will achieve its original goal of bringing stability to the patent laws and both restoring and increasing confidence in the workings of the patent system.

But you need not take my word for it. For, as the ensuing pages will attest, the court in its first three years has generated a virtual cornucopia of opinions on almost every conceivable topic of interest to patent lawyers. What better way to determine whether the court has come closer to meeting the hopes of its supporters or the apprehensions of its detractors than to provide the readers of this Journal with a collection of wonderfully written and comprehensive reviews of the court's patent-oriented output over its first three years of operation.

And that is exactly what the editors of this Journal have done. The papers which follow these introductory remarks have been written by highly qualified members of the bar, all students of the court who have provided us with an encyclopedic review of Federal Circuit patent law. Hopefully, their work product will serve as a primer for anyone interested in the Federal Circuit's patent views.

But there is more. Recently, a speaker at a BNA conference was reported to have observed that the "CAFC seems to be a plaintiff's court . . . in that it tends to adopt a pro-patent position," holding 60-70% of patent claims valid and 80-90% of the patents infringed. 30 Pat. Trademark & Copyright J. (BNA) No. 751, at 682-83 (Oct. 31, 1985). Since statistics such as these tend to be over-used and over-abused, I thought it would be useful to generate some of my own, to see exactly what the court has been

doing. These statistics are collected at the end of this introduction.

The results, limited as they are given the court's limited existence, are quite interesting. For what they show is anything but a bias in favor of patents—either from a validity or an infringement standpoint.

Table 1, for example, shows that of 69 district court Section 103 holdings, 21 resulted in a finding of validity and 48 of invalidity, for a percentage of 30.4. In the Federal Circuit, on the other hand, those numbers were respectively 37 and 32, for a validity percentage of 53.6. While significantly higher than that of the district court, the percentage of validity holdings at the Federal Circuit level is close enough to 50% to suggest no bias in either direction.

The Section 102 holdings noted in Table 2 tell a similar story, in that the district court and Federal Circuit Section 102 validity findings are respectively 40.6% and 50%.

Nor do these statistics confirm our conference speaker's observation that the Federal Circuit has a heavy bias towards finding infringement. As table 5 illustrates, the district court found infringement 45 times out of a total of 75, for a 60% infringement finding, whereas the Federal Circuit found infringement 39 out of that total of 75, for a 52% infringement finding. Here, the district court was more prone than the Federal Circuit to find infringement, but again the Federal Circuit's record approaches neutrality.

I have no particular comments to make about the remaining statistics in the ensuing collection, other than to admonish the reader against overgeneralizing from this limited data. Together with the more substantive articles that follow, however, one should walk away from this Jour-

nal issue with a fairly comprehensive and educated perception of what the Federal Circuit has been about these past three years.

TABLES

1. Disposition of 35 U.S.C. § 103 Issues in the Federal Circuit
2. Disposition of 35 U.S.C. § 102 Issues in the Federal Circuit
3. Disposition of 35 U.S.C. § 112 Issues in the Federal Circuit
4. Disposition of § 112 Issues (Interferences) in the Federal Circuit
5. Disposition of Fraud Issues in the Federal Circuit
6. Disposition of Infringement Issues in the Federal Circuit
7. Disposition of Cases Involving Jury Verdicts in the Federal Circuit
8. Disposition of Cases Involving Increased Damages in the Federal Circuit
9. Disposition of Frivolous Appeals in the Federal Circuit
10. Disposition of Attorney Fees Awarded in the Federal Circuit
11. Dispostion of Damages in the Federal Circuit
12. Disposition of Cases in the Federal Circuit

TABLE 1*
DISPOSITION OF 35 U.S.C. § 103 ISSUES IN THE FEDERAL CIRCUIT

DISPOSITION BY THE LOWER TRIBUNAL	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT		
	AFFIRMED	REVERSED	VACATED
DISTRICT COURT			
VALID	18 (86%)	3 (14%)	0
INVALID	29 (60%)	13 (27%)	6 (13%)
CLAIMS COURT			
VALID	1 (100%)	0	0
INVALID	1 (100%)	0	0
ITC			
VALID	2 (67%)	1 (33%)	0
INVALID	0	0	0
PTO			
UNPATENTABLE	132 (83%)	25 (16%)	2 (1%)

*The analysis in these tables includes all cases decided by the Court of Appeals for the Federal Circuit in which the court has addressed patent law issues. Published opinions of cases decided by the court from its inception (October 1, 1982) through October 17, 1985 and unpublished opinions of cases decided through October 23, 1985 were analyzed. The tables represent the disposition of the various patent issues by both the lower tribunal from which the case was appealed and the Court of Appeals for the Federal Circuit. The entries in these tables are not representative of the total number of cases before the court, but rather are representative of the number of times each issue has been addressed and decided by the court. For example, if the court addressed and decided multiple issues, such as § 102, § 103 and § 112, the disposition of each issue is included in the tables.

TABLE 2
DISPOSITION OF 35 U.S.C. § 102 ISSUES IN THE FEDERAL CIRCUIT

DISPOSITION BY THE LOWER TRIBUNAL	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT		
	AFFIRMED	REVERSED	VACATED
DISTRICT COURT			
VALID	11 (85%)	2 (15%)	0
INVALID	14 (74%)	4 (21%)	1 (5%)
CLAIMS COURT			
VALID	1 (100%)	0	0
INVALID	1 (100%)	0	0
ITC			
VALID	1 (50%)	1 (50%)	0
INVALID	0	0	0
PTO			
UNPATENTABLE	10 (91%)	0	1 (9%)

TABLE 3
DISPOSITION OF 35 U.S.C. § 112 ISSUES IN THE FEDERAL CIRCUIT*

DISPOSITION BY THE LOWER TRIBUNAL	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT		
	AFFIRMED	REVERSED	VACATED
DISTRICT COURT			
VALID	8 (100%)	0	0
INVALID	4 (40%)	5 (50%)	1 (10%)
CLAIMS COURT			
VALID	1 (100%)	0	0
INVALID	0	0	0
ITC			
VALID	0	0	0
INVALID	1 (50%)	1 (50%)	0
PTO			
UNPATENTABLE	13 (76%)	4 (24%)	0

*Does not include § 112 issues decided in interference proceedings

TABLE 4
DISPOSITION OF § 112 ISSUES (INTERFERENCES) IN THE FEDERAL CIRCUIT*

	AFF'D	REV'D
VALID	3 (75%)	1 (25%)
INVALID	1 (100%)	0

*Award of priority based on whether one party has met requirements of § 112, e.g., whether foreign priority application contained adequate written disclosure, failure to disclose best mode, etc.

TABLE 5
DISPOSITION OF FRAUD ISSUES IN THE FEDERAL CIRCUIT

DISPOSITION BY THE LOWER TRIBUNAL	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT	
	AFFIRMED	REVERSED
DISTRICT COURT		
FRAUD	0	6 (100%)
NO FRAUD	12 (80%)	3 (20%)
CLAIMS COURT		
FRAUD	0	0
NO FRAUD	0	0
ITC		
FRAUD	0	0
NO FRAUD	1 (100%)	0
PTO		
FRAUD	0	0
NO FRAUD	0	1 (100%)

TABLE 6
DISPOSITION OF INFRINGEMENT ISSUES IN THE FEDERAL CIRCUIT

DISPOSITION BY THE LOWER TRIBUNAL	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT		
	AFFIRMED	REVERSED	VACATED
DISTRICT COURT			
INFRINGEMENT	28 (62%)	17 (38%)	0
NO INFRINGEMENT	19 (63%)	9 (30%)	2 (7%)
CLAIMS COURT			
INFRINGEMENT	1 (100%)	0	0
NO INFRINGEMENT	2 (50%)	1 (25%)	1 (25%)
ITC			
INFRINGEMENT	2 (67%)	1 (33%)	0
NO INFRINGEMENT	1 (50%)	1 (50%)	0

TABLE 7

I. DISPOSITION OF CASES INVOLVING JURY VERDICTS IN THE FEDERAL CIRCUIT

LOWER TRIBUNAL JURY VERDICT	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT			
	AFF'D	REV'D	AFF'D IN PART REV'D IN PART	REMANDED
DISTRICT COURT JURY VERDICT	11 (50%)	3 (14%)	6 (27%)	2 (9%)

II. DISPOSITION OF CASES INVOLVING JURY VERDICTS ON § 103 IN THE FEDERAL CIRCUIT

LOWER TRIBUNAL JURY VERDICT	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT			
	AFF'D	REV'D	REV'D IN PART	REMANDED
DISTRICT COURT JURY VERDICT ON § 103 ISSUE WHERE PATENT WAS HELD VALID	1 (50%)	1 (50%)	0	0
DISTRICT COURT JURY VERDICT ON § 103 ISSUE WHERE PATENT WAS HELD INVALID	4 (80%)	0	0	1 (20%)

TABLE 8
DISPOSITION OF CASES INVOLVING INCREASED DAMAGES

DISPOSITION BY THE DISTRICT COURT	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT		
	AFFIRMED	REVERSED	REMANDED
INCREASED DAMAGES AWARDED	9 (90%)	1 (10%)	0
INCREASED DAMAGES NOT AWARDED	4 (80%)	0	1 (20%)

TABLE 9
DISPOSITION OF FRIVOLOUS APPEALS IN THE FEDERAL CIRCUIT

CAFC HELD FRIVOLOUS APPEAL	6 (46%)
CAFC HELD NOT FRIVOLOUS APPEAL	7 (54%)

TABLE 10
DISPOSITION OF ATTORNEY FEES AWARDED IN THE FEDERAL CIRCUIT

DISPOSITION BY THE DISTRICT COURT	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT			
	AFFIRMED	REVERSED	VACATED	REMANDED
ATTORNEY FEES AWARDED	13 (48%)	7 (26%)	7 (26%)	0
LOWER COURT'S REFUSAL TO AWARD ATTORNEY FEES	12 (92%)	0	0	1 (8%)

TABLE 11
DISPOSITION OF DAMAGES IN THE FEDERAL CIRCUIT

DISPOSITION BY DISTRICT COURT	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT					
	AFFIRMED AWARD BELOW	REVERSED AWARD BELOW	MODIFIED AND REMANDED AWARD BELOW	VACATED AWARD BELOW	LOWER COURT REFUSAL TO AWARD AFF'D	LOWER COURT REFUSAL TO AWARD REV'D
REASONABLE ROYALTY	9 (90%)	0	0	0	1 (10%)	0
ESTABLISHED ROYALTY	1 (50%)	0	1 (50%)	0	0	0
COSTS	6* (40%)	0	1 (7%)	0	2 (13%)	6* (40%)
LOST PROFITS	9 (82%)	0	1 (9%)	0	1 (9%)	0
PREJUDGMENT INTEREST	5 (45%)	0	3 (27%)	0	0	3 (27%)
DAMAGES (UNSPECIFIED)	2 (33%)	1 (17%)	0	3 (50%)	0	0

*Includes frivolous appeals cases.

TABLE 12
DISPOSITION OF CASES IN THE FEDERAL CIRCUIT

LOWER TRIBUNAL	DISPOSITION BY THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT			
	AFF'D	REV'D	AFF'D IN PART REV'D IN PART	REMANDED
DISTRICT COURT	100 (56%)	24 (13%)	48 (27%)	8 (4%)
CLAIMS COURT	6 (60%)	1 (10%)	3 (30%)	0
ITC	6 (55%)	3 (27%)	2 (18%)	0
PTO	168 (79%)	28 (13%)	12 (6%)	5 (2%)

Supreme Court, U.S.
FILED
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JOSEPH F. SPANIOL, JR.
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PETITIONER'S RESPONSE TO RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

JOHN D. NIES
NIES, WEBNER, KURZ & BERGERT
1911 Jefferson Davis Highway
Suite 700
Arlington, Virginia 22202
(703) 521-6590

Counsel for Petitioner

PRESS OF BYRON S. ADAMS, WASHINGTON, D.C. (202) 347-8203

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STATUTES:

35 U.S.C. §103 1

IN THE

Supreme Court of the United States

OCTOBER TERM, 1986

No. 85-2113

A. H. ROBINS COMPANY, INC.,

Petitioner,

v.

ELI LILLY AND COMPANY,

Respondent.

PETITIONER'S RESPONSE TO RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

At issue here is the role of *Graham v. John Deere*, 383 U.S. 1 (1966) in the resolution of the issue of patent validity under 35 USC §103.

The matter is of enormous importance to the patent bar, to the district courts, and to industry and commerce generally, despite respondent's protestations that the case at bar is a parochial dispute of interest only to the litigants.

Respondent's complaint that "the case presents no conflict between jurisdictions" highlights the need for this Honorable Court's intercession. Because the Federal Circuit is the sole appellate authority in questions of patent law, conflicts between jurisdictions in questions of patent law are a thing of the past. Petitioner

urges error, not conflict, to invoke this Honorable Court's power of review.

Because the Federal Circuit is a national circuit its error is of national import. the action of this unique circuit should be uniquely subject to this Honorable Court's scrutiny.

Petitioner respectfully suggests that the Federal Circuit's improper invokation of *Graham* simply to void district courts' holdings of patent invalidity merits this Honorable Court's immediate attention.

The cases cited at page 6 of the Petition herein display the unbroken pattern of reversal or remand when a district court has held a patent invalid without making the *Graham* findings in the exact form desired by the Federal Circuit.

Very recently the court has once more engaged in this process. In *Bausch & Lomb Inc. v. Barnes-Hind/ Hydrocurve Inc. et al,* No. 85-2578 (Fed. Cir. July 14, 1986) the court, faced with an unpalatable holding of invalidity remanded with instructions to make the detailed *Graham* findings.

The Federal Circuit has never played it the other way around. The Federal Circuit has never, as far as can be determined, criticized a district court for failure to make the *Graham* findings when the district court has found the patent valid.

Petitioner here is a victim of this selective treatment. The district court's opinion is totally lacking in the *Graham* findings of the type required by the Federal Circuit in *Bausch & Lomb.* The District court did not cite *Graham* directly, made no reference at all to the "scope and content" of the prior art; made no

reference to the "level of skill" in the art; made no reference to the "differences" between the claims and the prior art. The absence of *Graham* findings precluded the *Graham* analysis.

If such an opinion is to stand as comporting with *Graham* as support for patent *validity* while the most rigorous *Graham* findings are required to support a holding of patent *invalidity,* the message to the lower courts and the bar will be loud, clear—and wrong.

Respectfully submitted,

JOHN D. NIES
NIES, WEBNER, KURZ & BERGERT
1911 Jefferson Davis Highway
Suite 700
Arlington, Virginia 22202
(703) 521-6590

Counsel for Petitioner